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ENGINEERING CONSULTANT

July 1, 2014

ARTHUR BLOOSTON
1914 - 1999

WRITER'S CONTACT INFORMATION

gjd@bloostonlaw.com
202-828-5528

REDACTED - FOR PUBLIC INSPECTION

VIA HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

ACCEPTED/FILED

JUL 1 2014

Federal Communications Commission
Office of the Secretary

RE: Form 481 - Carrier Annual Reporting Data Collection Form
WC Dockets No. 10-90, 11-42 and 14-58
Northern Arkansas Telephone Company (SAC 401713)

Dear Ms. Dortch:

Pursuant to Sections 54.313(i) and 54.422(c) of the Commission's Rules, Northern Arkansas Telephone Company ("the Company") hereby submits a copy of its "FCC Form 481 - Carrier Annual Reporting Data Collection Form," which was or will be timely filed with the Universal Service Administrative Company and the appropriate state commission on or before July 1, 2014.

The Company seeks confidential treatment under the *Protective Order* adopted by the Commission in this proceeding for the financial information included in its report pursuant to

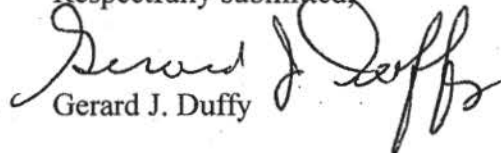
No. of Copies rec'd 0+1
List ABOVE

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§54.313(f)(2).¹ Confidential treatment of this information is appropriate on the grounds that it is commercially sensitive information that is not normally released to the public. In accordance with the *Protective Order*, the Company is submitting one copy of its FCC Form 481 (which includes a Stamped Confidential Document containing its proprietary and confidential financial information) via hand delivery to the Secretary's Office, and two copies of the same FCC Form 481 (including the Stamped Confidential Document) via hand delivery to Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 5-A452, Washington, D.C. 20554. The Company is also submitting two copies of its FCC Form 481 (which includes a Redacted Confidential Document with its proprietary and confidential information obscured) via hand delivery to the Secretary's Office under a separate cover letter marked "REDACTED – FOR PUBLIC INSPECTION" and via the Electronic Comment Filing System.

The Company has submitted a separate letter requesting confidential treatment pursuant to Section 0.459 of the Commission's Rules for certain proprietary and confidential portions of its "5-Year Service Quality Improvement Plan" and its "Detail on Unfulfilled Broadband Service Requests."

Respectfully submitted,


Gerard J. Duffy

cc: Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau

¹ *In the Matter of Connect America Fund, et al.*, PROTECTIVE ORDER, WC Docket No. 10-90, et al., DA 12-1857, released November 16, 2013.

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July 1, 2014

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WC Docket Nos. 10-90, 11-42 and 14-58

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

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JUL 1 2014

Federal Communications Commission
Office of the Secretary

**RE: Rule Section 0.459 Request for Confidential Treatment
Northern Arkansas Telephone Company (SAC 401713)
FCC Form 481 – Carrier Annual Reporting Data Collection Form**

Dear Ms. Dortch:

Northern Arkansas Telephone Company ("the Company"), by its attorney, hereby requests, pursuant to Section 0.459 of the Commission's Rules, that the redacted portions of the Company's "5-Year Service Quality Improvement Plan" and its "Detail on Unfulfilled Broadband Service Requests" be withheld from public inspection.

In accordance with Section 0.459(b) of the Commission's Rules, the Company states:

1. The specific information for which confidentiality is sought is comprised of tables detailing annual projected network improvements and upgrades for voice and broadband services during the period from 2015 through 2019 and the projecting the build-out costs of such projects during the same five-year period, plus a chart showing the needed facilities and costs to meet certain currently unfulfilled broadband service requests.

2. This information is submitted in compliance with the requirement in Section 54.313(a)(1) of the Commission's Rules that recipients of high-cost support submit a progress report on their five-year service quality improvement plans, and with the requirement in Section 54.313(a)(3) of the Rules to list the number of requests for service that were unfulfilled during the prior calendar year.

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Marlene H. Dortch, Secretary

June 27, 2014

Page 2 of 3

3. This information regarding the nature and timing of the Company's construction and network improvement plans, the estimated costs thereof and the facilities and expenditures needed to fulfill certain service requests, is proprietary and confidential commercial and financial information that is routinely withheld from public inspection.

4. The voice and broadband services for which the 5-year service improvement plans have been prepared are subject to actual and ongoing competition in the Company's Bull Shoals and Flippin exchanges from a large multiple cable system operator and to potential competition in the Company's other exchanges from competitive local exchange carriers, cable television system operators, electric power utilities, fixed and mobile wireless service providers, and/or satellite carriers. Even where competition is not active at present, the nature and scheduling of the Company's network upgrades and the size and timing of its related expenditures constitute very valuable competitive intelligence for any entity that may be contemplating or planning entry into one or more portions of the Company's service area. Likewise, the exchanges in which the Company has unfulfilled broadband service requests, and the facilities and expenditures necessary to satisfy these requests, are very valuable competitive intelligence for any entity is operating in or planning entry into one or more portions of the Company's service area.

5. Again, whether or not the Company has an active competitor in a particular exchange at the present time, there are numerous potential competitors and the nature and scheduling of the Company's network upgrades, the size and timing of its related expenditures, and the nature and location of its unfulfilled broadband service requests constitute very valuable competitive intelligence that can greatly assist the planning of any entity that may be competing or contemplating entry into one or more portions of the Company's service area.

6. The Company limits internal access to its 5-year service improvement plan to its key employees and consultants who need the information for planning, reporting and management purposes. The plan is not posted on any Company website, or included in any Company press release, report or other document that is available to the general public or to unrestricted portions thereof. Likewise, the location and nature of unfulfilled broadband service requests is known only to key employees and consultants, and is not posted on any Company website, or included in any Company press release, report or other document that is available to the general public or to unrestricted portions thereof.

7. The Company does not make its five-year service quality improvement plans or its unfulfilled broadband service requests available to the public, and has not previously disclosed these materials or similar previous documents to third parties.

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Marlene H. Dortch, Secretary

June 27, 2014

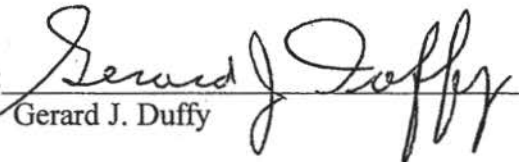
Page 3 of 3

8. The Company requests that the individual annual charts in its five-year service improvement plan not be available for public disclosure until at least the end of the next full calendar year following the calendar year to which the chart applied. Competitors and potential competitors should not be able to see the Company's network deployment and expenditure plans for a particular year prior to the year, during the year, or during the year following the year (particularly because weather and other factors can cause construction delays). After that period, projects are generally completed, and competitors are able to observe directly or read published reports of what the Company actually did to improve its network and services. The Company also requests that its unfulfilled broadband service requests not be available for public disclosure for at least two years until July 2016.

The Company notes that it is also redacting and claiming confidential treatment, pursuant to the Bureau's *Protective Order*, DA 12-1857, released November 16, 2012, for the financial information submitted in compliance with the requirements of Section 54.313(f)(2) of the Commission's Rules.

Respectfully submitted,

Northern Arkansas Telephone Company

By: 
Gerard J. Duffy

Its Attorney

Blooston, Mordkofsky, Dickens,
Duffy & Prendergast, LLP
2120 L Street NW (Suite 300)
Washington, DC 20037
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Facsimile: (202) 828-5568
Email: gjd@bloostonlaw.com

FCC Form 481: Carrier Annual Reporting Data Collection Form		FCC Form 481 OMB Control No. 3040-0086/OMB Control No. 3040-0013 July 2013
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<010> Study Area Code	401713
<015> Study Area Name	NORTH ARKANSAS TEL
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Denise Russell
<035> Contact Telephone Number: Number of the person identified in data line <030>	5092382961 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	drussell@natcom.net

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JUL 1 2014

Federal Communications Commission
Office of the Secretary

ANNUAL REPORTING FOR ALL CARRIERS	54,513 Completion Required	54,422 Completion Required
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<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> -- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> (attach descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> (attach descriptive documents)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> (attach descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)?	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110> (complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000> (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005> (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000> (check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005> (complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3050-0819 July 2013
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<010> Study Area Code	401712
<015> Study Area Name	NORTH ARKANSAS TEL
<020> Program Year	2013
<030> Contact Name - Person USAC should contact regarding this data	Denise Russell
<035> Contact Telephone Number - Number of person identified in data line <030>	5012302941 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	drussell@natconet.com

<110> Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

401712AR5YearPlan113.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
<114> Report how much universal service (USF) support was received
<115> How (USF) was used to improve service quality
<116> How (USF) was used to improve service coverage
<117> How (USF) was used to improve service capacity
<118> Provide an explanation of network improvement targets not met in the prior calendar year.

Page 3

<010>	Study Area Code	401723
<015>	Study Area Name	NORTH ARKANSAS TXL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Denise Russell
<035>	Contact Telephone Number - Number of person identified in data line <030>	5092382961 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	drussell1@natcomet.com

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(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 483
OMB Control No. 3050-0086/OMB Control No. 3060-0219
July 2013

<010>	Study Area Code	401723
<015>	Study Area Name	NORTH ARKANSAS TEL
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Denise Russell
<035>	Contact Telephone Number - Number of person identified in data line <030>	5072283361 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	drussell@usaconvt.com

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	16.16

[illegible]

Page 5

<010>	Study Area Code	401713
<015>	Study Area Name	NORTH ARKANSAS TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Denise Ruessell
<035>	Contact Telephone Number - Number of person identified in data line <030>	5022592361 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	druessell@natcomet.com

Page 5

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[800] Operating Companies
Data Collection Form

FCC Form 487
OMB Control No. 3060-0046/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	401711
<015>	Study Area Name	NORTH ARKANSAS TEL.
<020>	Program Year	2025
<030>	Contact Name - Person USAC should contact regarding this data	Daniel Riese
<035>	Contact Telephone Number - Number of person identified in data line <030>	509762941 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	druese@jntstacout.com
<810>	Reporting Carrier	Northern Arkansas Telephone Company, Inc.
<811>	Holding Company	NATCO Communications
<812>	Operative Company	Northern Arkansas Telephone Company, Inc.

[illegible]

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(900) Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	401713
<015> Study Area Name	NORTH ARKANSAS TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Denise Russell
<035> Contact Telephone Number - Number of person identified in data line <030>	5093382961 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	drussell@natconet.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

Page 7

(1100) No Terrestrial Backhaul Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	401713
<015>	Study Area Name	NORTH ARKANSAS TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Denise Russell
<035>	Contact Telephone Number - Number of person identified in data line <030>	5092262961 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	drussell@maccomet.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

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(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	601713
<015> Study Area Name	NORTH ARKANSAS TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Deleue Russell
<035> Contact Telephone Number - Number of person identified in data line <030>	5012322963 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	drussell@mtconet.com

601713ARLifeline1719.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

*Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan, ☒

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Page 10

(2008) Price Cap Carrier Additional Documentation Data Collection Form Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers		FCS Form 441 OMB Control No. 3060-0086/CMB Control No. 3060-0015 July 2013
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<010>	Study Area Code	401713
<015>	Study Area Name	NORTH ARKANSAS TEL
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Dennis Eversall
<035>	Contact Telephone Number - Number of person identified in data line <030>	8092392941 ext
<039>	Contact Email Address - Email Address of person identified in data line <030>	deversall@netquest.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification (47 CFR § 54.313(b)(1))	<input type="checkbox"/>
<2011>	3rd Year Certification (47 CFR § 54.313(b)(2))	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting (47 CFR § 54.313(e))		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<input type="checkbox"/>

<2021>	Interim Progress Community Anchor Institutions	
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Name of Attached Document Listing Required Information

Page 10

(3000) Rate Of Return, Carriers Additional Documentation		FCC Form 641 OMB Control No. 3020-0046/OMB Control No. 3040-0037 May 2013
(3010) Study Area Code	47112	
(3015) Study Area Name	NORTH ARKANSAS TEL	
(3020) Program Year	2015	
(3030) Contact Name - Person USAC should contact regarding this data	Denlow, Russell	
(3035) Contact Telephone Number - Number of person identified in data line (3030)	501212264 ext.	
(3037) Contact Email Address - Email Address of person identified in data line (3030)	rdenlow@arktel.com	

CHECK the boxes below to note compliance on No Net year service quality plan (pursuant to 47 CFR § 54.382(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 3 Year Plan
 Milestone Certifications (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

(3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii). The carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☐

(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held Non-Carrier (47 CFR § 54.313(f)(2))

(3014) If yes, does your company file the RUS annual report

(Yes/No) ☒ Yes ☐ No

(Yes/No) ☒ Yes ☐ No

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Services)

(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flow

☒ ☒

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

401712ARAnnualReport2017.pdf
 401712ARAnnualReport2017.xlsx

Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited?

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(Yes/No) ☒ Yes ☐ No

(3019) Either a copy of their audited financial statements or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☐

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flow

☐

(3021) Management letter issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

☐

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers.

☐

(3023) Underlying information subjected to a review by an independent certified public accountant

☐

(3024) Underlying information subjected to an officer certification.

☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flow

Name of Attached Document Listing Required Information

(3026) Attach the worksheets listing required information

Name of Attached Document Listing Required Information

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Page 12

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0286/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	401713
<015> Study Area Name	NORTH ARKANSAS TEL
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	Denise Russell
<035> Contact Telephone Number - Number of person identified in data line <030>	5092382961 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	drussell@natconet.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	NORTH ARKANSAS TEL
Signature of Authorized Officer:	CERTIFIED ONLINE Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	401713 Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Certification - Agent / Carrier Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010> Study Area Code	401713	
<015> Study Area Name	NORTH ARKANSAS TEL	
<020> Program Year	2015	
<030> Contact Name - Person USAC should contact regarding this data	Denise Russell	
<035> Contact Telephone Number - Number of person identified in data line <030>	5092382961 ext.	
<039> Contact Email Address - Email Address of person identified in data line <030>	drussell@natconet.com	

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	
Name of Authorized Agent or Employee of Agent:	
Signature of Authorized Agent or Employee of Agent:	Date:
Printed name of Authorized Agent or Employee of Agent:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

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Attachments

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(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No.: 3040-0086/OMB Control No.: 3050-0419
July 2013

<Q1>	Study Area Code	Q0173
<Q5>	Study Area Name	NORTH ARKANSAS FEL
<Q0>	Program Year	2025
<Q9>	Contact Name - Person USAC should contact regarding this data	Denise Ruess
<Q5>	Contact Telephone Number - Number of person identified in data line <Q9>	3623292961 ext.
<Q9>	Contact Email Address - Email Address of person identified in data line <Q9>	druessel@nacoat.com

<701>	Residential Local Service Charge Effective Date	2/2/2014
<702>	Single State-wide Residential Local Service Charge	14.1%

«703»

[illegible]

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(73D) Broadband Price Offerings
Data Collection Form

FCC Form 441
OMB Control No. 3060-0586/OMB Control No. 3060-0615
July 2013

<Q1>	Study Area Code	401713
<Q1>	Study Area Name	NORTH ARKANSAS TEL
<Q2>	Program Year	2019
<Q3>	Contact Name - Person USAC should contact regarding this data	Denise Russell
<Q3>	Contact Telephone Number - Number of person identified in data line <Q3>	5092782961 ext.
<Q3>	Contact Email Address - Email Address of person identified in data line <Q3>	drussell@usatconat.com

[illegible]

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Northern Arkansas Telephone Company, Inc.
Line 330-Detail on Unfulfilled Broadband Service Requests
SAC - 401713

Customer	Exchange	Reason Couldn't Provide Service	Distance From Central Office (Miles)	Facilities Needing Built to Provide Service	Estimated Cost
----------	----------	---------------------------------	--	--	----------------



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Northern Arkansas Telephone Co., Inc.
SAC 401713

Lines 500 & 510 - Service Quality Standards and Consumer Protection Rules Compliance

As required in 47 C.F.R. § 54.313(a)(5) for High-cost Recipients, the following is a detailed description of how the Company complies with Service Quality Standards and Consumer Protection Rules.

In establishing this certification in its *2005 ETC Order*,¹ the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."² The FCC found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement³ and that the sufficiency of other commitments would be considered on a case-by-case basis.³ In this context, the FCC stated, "to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement."⁴

The Company complies with all applicable service quality standards and consumer protection rules established by the Arkansas Public Service Commission and detailed in the Telecommunication Provider Rules. Specifically, sections 1.09, 1.10, 1.11, 1.12, and 2.0 address the following obligations which include, but are not limited to: 1.09 Service Availability, 1.10 Safe and Adequate Service, 1.11 Construction Standards, 1.12 Facility Identification and Section 2.0, which details consumer billing rules and regulations. Furthermore, Company is subject to cyclical compliance reviews by the Arkansas Public Service Commission Telecommunications Utilities and Quality of Service Section. As such, the Company believes it is in compliance with industry service quality standards.

In addition, the Company complies with numerous federal consumer protection standards including, but not limited to: (1) Truth-in-Billing Rules outlined in 47 CFR § 64.2401; and (2) compliance with Federal CPNI rules, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy. The Company has developed and implemented a Customer Proprietary Network Information ("CPNI") Compliance Manual and has appointed a CPNI Compliance Officer and a Red Flag Compliance Officer. Annually, the Company requires all employees to attend training on the CPNI Compliance Manual and Red Flag Rules and they understand that any violation of the Company's CPNI procedures may result in disciplinary action up to and including dismissal. The Company files an annual report with the Federal Communications Commission ("FCC") certifying compliance with the FCC's CPNI rules.

¹ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("2005 ETC Order").

² *Id.* at para. 28.

³ *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: "(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy." *Id.* at n. 71.

⁴ *Id.* at n. 72.

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**Northern Arkansas Telephone Company, Inc.
SAC 401713**

Line 600 and 610 - Functionality in Emergency Situations

As required in 47 C.F.R. § 54.313(a)(6) for all high cost recipients, which includes the Company, and as set forth in 47 C.F.R. § 54.202(a)(2), the following provides a detailed description demonstrating that the Company has the ability to remain functional in emergency situations.

OVERALL RESPONSE TO EMERGENCY SITUATIONS: The Company has a comprehensive disaster recovery plan that was developed and implemented for the Company specifically to deal with emergencies. It has detailed, specific steps that are to be taken for each type of emergency.

POWER: In order to function in an emergency, the Company has a combination of batteries and emergency generators. All central offices, remote offices, and remote cabinets have batteries that would provide at least eight hours of service. Each central office and remote office is also equipped with permanent emergency generators with their own fuel tanks. Automatic transfer switches are installed in each of the buildings that will start the generators and transfer from commercial power to the backup generator until commercial power is restored. Each building and cabinet is also wired for a portable generator connection. The company owns portable generators that technicians can utilize to recharge the batteries on the remote digital loop carrier cabinets or with the building connections if needed. Generators are started and tested once a month with technicians documenting the results.

REROUTING TRAFFIC AND REDUNDANCY: The Company's transmission link is equipped with redundant hardware between the host office in Lead Hill, AR, and the Windstream tandem switch located in Harrison, AR. We also have a diversified fiber route connecting the two offices.

MANAGING TRAFFIC SPIKES: The Company realizes that when a catastrophe happens, everyone immediately tries to contact friends and family to make certain they are all right. The Company has designed the network to have excess capacity on its backbone network. In case of traffic spikes, NATCO has overflow routing to an alternate long distance VoIP switch.

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Northern Arkansas Telephone Company, Inc. (SAC 401713)
FCC Form 481 - Line 1010
Program Year - 2015

Voice Services Rate Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (10) Northern Arkansas Telephone Company, Inc. certifies that it is in compliance with the requirement that voice service rates are no more than two standard deviations above the national average urban rate for voice service of \$46.96 as specified in Public Notice DA 14-384 issued on March 20, 2014. Northern Arkansas Telephone Company's current total local end-user rate¹ of \$16.83 is not above the standard deviation as specified in the USF/ICC Transformation Order.²

¹ Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

² USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) "The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average."

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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

July 1, 2014

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Ms. Karen Majcher
Vice President – High Cost Low Income Division
Universal Service Administrative Company
2000 L Street NW, Suite 200
Washington, D.C. 20036

RE: WC Docket No. 10-90: Annual Reporting Requirements for High-Cost Recipients
§54.202(a)(1).

Pursuant to 47 C.F.R. §54.202(a)(1) of the Federal Communications Commission's rules,
enclosed please find the Initial 5-Year Service Quality Improvement Plan for Northern Arkansas
Telephone Company, Inc., Study Area Code 401713.

Should you have any questions regarding this filing, please contact me via email at
drussell@natconet.com or by phone at 509-238-2961.

Sincerely,

Denise Russell
Revenue Requirements Manager

Enclosures

cc: Arkansas Public Service Commission

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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

Five-Year Service Quality Improvement Plan – §54.202 (a)(1)

§ 54.202(a) Submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network throughout its proposed service area. Each applicant shall estimate the area and population that will be served as a result of the improvements. Except, a common carrier seeking designation as an eligible telecommunications carrier in order to provide supported services only under subpart E of this part does not need to submit such a five-year plan.

Company Information:

Northern Arkansas Telephone Company ("Company") is a locally-owned independent rural exchange carrier providing telecommunications services in portions of Marion and Boone Counties in rural north central Arkansas. Established in 1951, the Company serves the rural communities of Flippin, Bull Shoals, Pyatt, Lead Hill, Diamond City and Omaha, Arkansas.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] To ensure reliability, the network contains the necessary emergency power equipment such as back-up generators and battery-rack, as well as fiber redundancy to ensure continued operation in cases of natural or man-made disasters. The receipt of Federal Universal Service Fund support, combined with other funding sources, should allow the Company to continue to provide reliable, state-of-the-art, high-quality voice and broadband service [REDACTED].

Contingencies:

Given the incredible number of recent changes in the industry, the regulatory environment, technology, and the service demands of customers, the Company is constantly monitoring its network and operations to make the most effective choices with respect to network investments and operational improvements. It is critically important that the services offered by the company are sustainable and that adequate revenues for the services are available. With the uncertainty of current and potential regulatory action on rural rate-of-return carriers, the Company is taking a

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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

balanced and realistic approach in the development of this plan. Based on current data and analysis, the Company is not certain that adequate recovery for all necessary investments will be available throughout the forecast period. As a result, forecasted capital and operating expenditures for the period covered must be viewed as a flexible plan that will be modified based on changing recovery mechanisms and market conditions. The Company will evaluate this plan on an annual basis. Action, however, may also be taken abruptly on the initial plan submitted for both current and future years if evolving regulatory conditions and/or changes in technology-driven support change the financial recovery upon which the plan was formulated. Furthermore, cash flow and the availability of financing sources will have an impact on the timing of dollars spent on certain projects.

Company Plan:

Following is the initial five-year service quality improvement plan pursuant to 47 C.F.R. § 54.202(a)(1)(ii) that requires an eligible telecommunications carrier (ETC) to describe proposed improvements or upgrades to the ETC's network throughout its service area. The *USF/ICC Transformation Order* establishes a public interest obligation for rate-of-return ETCs to provide broadband service at speeds of at least 4 Mbps downstream and 1 Mbps upstream (4:1) "upon reasonable request." A service quality improvement plan cannot project where in the service area reasonable requests will be made. However, the proposed service improvements in this plan result in the availability of 4:1 or better service to a greater portion of the Company's service area than is currently available. Under the currently available revenue sources and recovery mechanisms, the Company anticipates that it will make the following improvements and/or upgrades to its network over the forecast period to its six wire centers:

LDHLARXADS0 in Lead Hill, Arkansas
FLPNARXARS1 in Flippin Arkansas
BLSHARXARS1 in Bull Shoals, Arkansas
PYTTARXARS1 in Pyatt, Arkansas
DMCYARXARS1 in Diamond City, Arkansas
OMHAARXARS1 in Omaha, Arkansas.

**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

[illegible]

5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

[illegible]

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5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

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5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

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5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.

[illegible]

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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

The Company projects that the capital expenditures, by Part 32 account, for 2015 through 2019 for the projects related to VOICE services listed above will be:

	2015	2016	2017	2018	2019
2110 Land & General Support					
2210 Central Office Switching					
2230 Central Office Transmission					
2410 Cable & Wire Facilities					
Total Capital Expenditures					

In addition to the above planned capital expenditures, the Company projects that it will incur the following operating expenses related to VOICE services, by expense category, over the next five years:

	2015	2016	2017	2018	2019
Plant Specific					
Plant Nonspecific					
Depreciation					
Customer Operations					
Corporate Operations					
Total Operating Expenses					

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**5-Year Service Quality Improvement Plan
47 C.F.R. §54.202(a)(1)
Northern Arkansas Telephone Company, Inc.**

The Company projects that the capital expenditures, by Part 32 account, for 2015 through 2019 for the projects related to BROADBAND services listed above will be:

	2015	2016	2017	2018	2019
2110 Land & General Support					
2210 Central Office Switching					
2230 Central Office Transmission					
2410 Cable & Wire Facilities					
Total Capital Expenditures					

In addition to the above planned capital expenditures, the Company projects that it will incur the following operating expenses related to BROADBAND services, by expense category, over the next five years:

	2015	2016	2017	2018	2019
Plant Specific					
Plant Nonspecific					
Depreciation					
Customer Operations					
Corporate Operations					
Total Operating Expenses					

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ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. TC-7.1

Replacing 1st Revised Sheet No. TC-7.1

Northern Arkansas Telephone Co., Inc.
Name of Company

Kind of Service: Telecommunications

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	Reserved for Future Use	71.5
	Reserved for Future Use	71.6
	Reserved for Future Use	71.7
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	17.2 Designated Lifeline Program Service	71.10
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ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised Sheet No. 71.9

Replacing 2nd Revised Sheet No. 71.9

Northern Arkansas Telephone Co., Inc.

Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

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17. LIFELINE ASSISTANCE PROGRAM

17.1 GENERAL

(CR)

- 17.1.1 This tariff is effective on the date the new FCC rules on Lifeline become effective.
- 17.1.2 The Lifeline Assistance Program (hereinafter "Lifeline") is a retail local service offering designed to make telephone service available at reduced rates to qualifying low-income customers. Lifeline provides for a federal credit equal to \$9.25.
- 17.1.3 The discounts apply to monthly recurring rates for qualifying residential customers.
- 17.1.4 Discounts are applied to rates and charges for residential telephone service.
- 17.1.5 The Lifeline Program rate reductions do not apply to long distance service, class services, special features, and other Ancillary services which may or may not be tariffed. Eligible customers may obtain these services, where available, at their discretion.
- 17.1.6 The Lifeline Program rate reductions do not apply to service connection charges.

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ARKANSAS PUBLIC SERVICE COMMISSION

2nd Revised Sheet No. 71.10

Replacing 1st Revised Sheet No. 71.10

Northern Arkansas Telephone Co., Inc.
Name of Company

Kind of Service: Telecommunications Class of Service: Res

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

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17. LIFELINE ASSISTANCE PROGRAM

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17.1.7 This ETC will implement all special disconnect procedures required for Lifeline customers.

17.1.8 The ETC shall not charge Lifeline customers with a monthly Number-Portability charge.

17.1.9 This ETC shall offer toll blocking to all qualifying applicants at the time such consumers subscribe to Lifeline service. If the consumer elects to receive toll blocking, that service shall become part of that consumer's Lifeline service. The customer is under no obligation to accept the subscription to toll blocking.

17.1.10 This ETC shall not collect a service deposit in order to initiate Lifeline service, if the qualifying consumer voluntarily elects toll blocking, where available, otherwise, this ETC may charge a service deposit in the ordinary course of business.

17.2 DESIGNATED LIFELINE PROGRAM SERVICE

17.2.1 General

17.2.1.1 Certain telephone services are specifically part of Lifeline service. Other services are optional. This ETC has a specific Lifeline offering.

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ARKANSAS PUBLIC SERVICE COMMISSION

3rd Revised Sheet No. 71.11

Replacing 2nd Revised Sheet No. 71.11

Northern Arkansas Telephone Co., Inc.

Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

PSC File Mark Only

17. LIFELINE ASSISTANCE PROGRAM

- 17.2.2 This ETC shall offer services or functionalities defined, by F.C.C. 47 CFR Part 54, to be voice telephony service. This service enables consumers to communicate with others that live nearby, while having access to all distance communications.

17.3 REGULATIONS

- 17.3.1 All the telecommunications provider rules and general tariffs of this company apply to Lifeline service unless specifically in conflict with this Section and Schedule.
- 17.3.2 Lifeline Service is available only with residential services, excluding foreign exchange service.
- 17.3.3 Lifeline Service is limited to one line per household at the customer's primary residence. "Household" is defined consistent with the Low-Income Home Energy Assistance Program as "any individual or group of individuals who are living together at the same address as one economic unit," with an "economic unit" defined as "all adult individuals contributing to and sharing in the income and expenses of a household." Lifeline support to individuals living in group living facilities must demonstrate when initially enrolling in the program that any other Lifeline recipients residing at their residential address are part of a separate household.

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ARKANSAS PUBLIC SERVICE COMMISSION

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Original _____ Sheet No. 71.12
Replacing: _____ Sheet No. _____
Northern Arkansas Telephone Company, Inc.
Company Name
Kind of Service Telecommunications Class of Service: Residential
Part III. Rate Schedule No. 17
Title: LIFELINE ASSISTANCE PROGRAM

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PSC File Mark Only

(AT) 17. LIFELINE ASSISTANCE PROGRAM

17.4 QUALIFICATIONS

17.4.1 General

17.4.1.1 To qualify for lifeline service, applicants must be participants in certain governmental programs or qualify through a low income threshold.

17.4.2 Qualification through Governmental Program Participation

17.4.2.1 To qualify for lifeline service through governmental program participation applicants must participate in at least one (1) of the following governmental programs:

1. Department of Housing and Urban Development
2. Medicaid
3. Food Stamps
4. Supplemental Security Income (SSI)
5. Federal Public Housing Assistance Program
6. Low Income Home Energy Assistance Program
7. Temporary Assistance for Needy Families (TANF)
8. National School Lunch (NSL) Program's Free Lunch Program

17.4.3 Qualification through low income eligibility

17.4.3.1 To qualify through low income eligibility, the applicant's income as defined in Sec. 54.400(f) must be at or below 135% of the federal poverty guidelines.

ARKANSAS PUBLIC SERVICE COMMISSION
EFFECTIVE

JUN 22 2005 ORDER 05 038-U

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 71.13

Replacing Original Sheet No. 71.13

Northern Arkansas Telephone Co., Inc.

Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

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17. LIFELINE ASSISTANCE PROGRAM

17.5 CERTIFICATION

17.5.1 General

17.5.1.1 Applicants for Lifeline must meet the eligibility guidelines. A certification process shall be used to ensure only eligible applicants receive Lifeline service. Each applicant must certify that they are receiving support for only one line per household.

(AT)

17.5.2 Certification of Eligibility Through Low Income Qualification

17.5.2.1 This ETC intends to participate in the ALIVE Board program established by the Arkansas General Assembly in 2005 through Act 2289 of 2005 to provide a governmentally maintained income qualification certification process that includes self-certification by applicants, under penalty of perjury, that the documentation presented by the applicant accurately represents their annual household income and provides the number of individuals in the household. Per F.C.C. order, each subscriber must provide certain certifications when enrolling in the Lifeline Program. New Lifeline subscribers must provide documentation of program-based eligibility, which the Telephone Company enrolling the subscriber should review, but not retain. Should the subscriber attempt to certify based on income, the Telephone Company shall be provided supporting documentation in order to complete the certification. The certifying document shall also include the requirement that the consumer will notify this ETC if the consumer's income exceeds 135% of the Federal Poverty Guidelines. The ALIVE Board program shall provide this ETC with a copy of the above referenced procedures. This ETC shall review the procedures to ensure the procedures are appropriate to certify and document income based eligibility for Lifeline enrollment.

(CT)

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 71.14

Replacing Original Sheet No. 71.14

Northern Arkansas Telephone Co., Inc.
Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

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PSC File Mark Only

17. LIFELINE ASSISTANCE PROGRAM

(RT)
17.5.2.2 This ETC shall monitor the ALIVE Board to ensure the ALIVE Board (CT)
establishes appropriate procedures and provides this ETC with a copy of
such procedures. This ETC shall review the procedures to ensure the
procedures are appropriate to certify and document income based
eligibility for Lifeline enrollment. An officer of this ETC shall certify at
time or enrollment, under penalty of perjury, to the best of the officer's
knowledge, that this ETC has procedures in place to review
documentation via the ALIVE Board, and that the ETC, via the ALIVE
Board, was presented with documentation that confirms the consumer's
household eligibility, in that the consumer's household income is at or
below 135% of the Federal Poverty Guidelines.

17.5.3 Certification of Eligibility Through Participation in Governmental Programs

17.5.3.1 The applicant's eligibility for Lifeline service due to participation in
governmental programs shall be certified by the applicant in coordination
with the governmental entity providing, monitoring, or reviewing
program participation. For instance, many programs may be provided by
the Department of Human Services, Department of Health, and local
school districts. This ETC, through the ALIVE Board of the third-party,
will coordinate with the applicant and the appropriate governmental
entity to ensure proper certification. This ETC shall require the third-
party to establish appropriate procedures that include self-certification by
applicants, under penalty of perjury, that the applicant receives benefits
from the eligibility programs and identify the program or programs from
which the applicant receives benefits. The certifying document shall also
include the requirements that the consumer will notify this ETC if the
consumer ceases to participate in the program or programs.

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 71.15

Replacing Original Sheet No. 71.15

Northern Arkansas Telephone Co., Inc.
Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

17. LIFELINE ASSISTANCE PROGRAM

PSC File Mark Only

17.6 CONSUMER COMPLAINT RESOLUTION

17.6.1 General

17.6.1.1 The Federal Lifeline Program requires a consumer complaint resolution process. The Arkansas Public Service Commission has determined in Order No. 1 of Docket No. 05-038-U that any ETC, which maintains tariffs and is subject to the Public Service Commission's consumer complaint procedures, meet the dispute resolution requirements for Lifeline. This ETC is subject to the Public Service Commission's consumer complaint procedures to meet the dispute resolution requirements for Lifeline.

17.7 VERIFICATION OF CONTINUED ELIGIBILITY

17.7.1 General

17.7.1.1 The Lifeline program requires this ETC to annually monitor the continued (CT) eligibility of Lifeline participants by requiring each Lifeline subscriber, both existing subscribers and new subscribers, to provide annual self-certifications attesting to their continued eligibility of the program. Beginning in 2013, this Telephone Company will annually choose to either, where ETCs cannot re-certify their subscribers by accessing a database, to re-certify their Lifeline customers on an annual basis or elect to have USAC re-certify them. Also, should the Telephone Company choose to use a state or federal program database to confirm a consumer's on-going eligibility for Lifeline, the annual re-certification will not be implemented.

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ARKANSAS PUBLIC SERVICE COMMISSION

1* Revised Sheet No. 71.16

Replacing Original Sheet No. 71.16

Northern Arkansas Telephone Co., Inc.

Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III. Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

PSC File Mark Only

17. LIFELINE ASSISTANCE PROGRAM

(RT)

17.8 PROCESS FOR TERMINATION OF LIFELINE BENEFITS

17.8.1 General

17.8.1.1 A consumer's eligibility for Lifeline may be terminated due to failure to maintain qualifications for Lifeline. This ETC shall follow the required process for termination of Lifeline benefits.

17.8.2 Process

17.8.2.1 Customers will be notified of the impending termination of Lifeline benefits in a letter separate from the consumer's monthly bill.

17.8.2.2 The customer will have up to sixty (60) days from the date of the termination letter in which to demonstrate his or her continued eligibility before Lifeline support is discontinued.

17.8.2.3 A customer who appeals must present proof of continued eligibility consistent with the above Lifeline qualifications.

17.8.2.4 This ETC will terminate Lifeline services for subscribers who fail to demonstrate continued eligibility within the sixty (60) day time period.

17.9 RECORD RETENTION POLICY

17.9.1 General

17.9.1.1 The Federal Communications Commission has established specific record retention requirements for the Lifeline certification process. This ETC will have specific procedures to ensure its record retention policy complies with legal requirements.

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 71.17

Replacing Original Sheet No. 71.17

Northern Arkansas Telephone Co., Inc.

Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

17. LIFELINE ASSISTANCE PROGRAM

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17.9.1.2 This ETC, through its own recordkeeping or through the recordkeeping of the ALIVE Board and its third-party contractor on behalf of this ETC, shall maintain certification records for the period of time required by the Federal Communications Commission for all Lifeline participants.

17.9.1.3 This ETC shall retain certifications, signed by the subscriber, regarding the consumer's eligibility for Lifeline, including self-certifications, that income documentation accurately reflects the house hold income. This certification shall be retained at least as long as the consumer receives Lifeline service from this ETC or until this ETC is audited by the Administrator. This ETC shall maintain certifications for subscribers terminating Lifeline service for at least three (3) years after termination. Such records shall be maintained in compliance with all federal and Public Service Commission requirements and such records shall be provided to the Administrator or the Public Service Commission upon proper request.

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ARKANSAS PUBLIC SERVICE COMMISSION

1st Revised Sheet No. 71.18

Replacing Original Sheet No. 71.18

Northern Arkansas Telephone Co., Inc.
Name of Company

Kind of Service: Telecommunications Class of Service: All

Part III Rate Schedule No.: 17

Title: LIFELINE ASSISTANCE PROGRAM

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USDA-RUS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER NAME

Northern Arkansas Telephone Company

(Prepared with Audited Data)

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2013

BORROWER DESIGNATION

AK0516

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Steven Sanders

6/18/2014

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			5. Accounts Payable		
2. Cash-RUS Construction Fund			6. Notes Payable		
3. Affiliates:			7. Advance Billings and Payments		
a. Telecom. Accounts Receivable			8. Customer Deposits		
b. Other Accounts Receivable			9. Current Mat. L/T Debt		
c. Notes Receivable			10. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			11. Current Mat.-Capital Leases		
a. Telecom. Accounts Receivable			12. Income Taxes Accrued		
b. Other Accounts Receivable			13. Other Taxes Accrued		
c. Notes Receivable			14. Other Current Liabilities		
5. Interest and Dividends Receivable			15. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			16. Funded Debt-RUS Notes		
8. Prepayments			17. Funded Debt-RTB Notes		
9. Other Current Assets			18. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			19. Funded Debt-Other		
NONCURRENT ASSETS			20. Funded Debt-Rural Develop. Loan		
1. Investment in Affiliated Companies			21. Premium (Discount) on L/T Debt		
a. Rural Development			22. Reacquired Debt		
b. Nonrural Development			23. Obligations Under Capital Lease		
2. Other Investments			24. Adv. From Affiliated Companies		
a. Rural Development			25. Other Long-Term Debt		
b. Nonrural Development			26. Total Long-Term Debt (36 thru 45)		
3. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
4. Other Noncurrent Assets			27. Other Long-Term Liabilities		
5. Deferred Charges			28. Other Deferred Credits		
6. Jurisdictional Differences			29. Other Jurisdictional Differences		
7. Total Noncurrent Assets (11 thru 16)			30. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
8. Telecom. Plant-In-Service			31. Cap. Stock Outstand. & Subscribed		
9. Property Held for Future Use			32. Additional Paid-in-Capital		
10. Plant Under Construction			33. Treasury Stock		
11. Plant Adj., Nonop. Plant & Goodwill			34. Membership and Cap. Certificates		
12. Less Accumulated Depreciation			35. Other Capital		
13. Net Plant (18 thru 21 less 22)			36. Patronage Capital Credits		
14. TOTAL ASSETS (10+17+23)			37. Retained Earnings or Margins		
			38. Total Equity (51 thru 57)		
			39. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

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USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AR0516
INSTRUCTIONS- See RUS Bulletin 1744-2	PERIOD ENDING December, 2013

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

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USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION AR0516 PERIOD ENDED December, 2013
INSTRUCTIONS – See help in the online application.	
PART I – STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

Revision Date 2010